SANTA CRUZ COUNTY
BOARD OF SUPERVISORS INDEX SHEET

Creation Date: 6/19/09

Source Code: BDSUP

Agenda Date: 6/23/09

INVENUM: 62768

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Item: 67.7 AS THE SANTA CRUZ COUNTY BOARD OF SUPERVISORS AND THE BOARD OF DIRECTORS OF THE SANTA CRUZ COUNTY REDEVELOPMENT AGENCY, ADOPTED RESOLUTION NO. 193-2009 opposing state efforts to seize Redevelopment Agency funding, as recommended by Supervisor Leopold

County of Santa Cruz

BOARD OF SUPERVISORS

701 OCEAN STREET, SUITE 500, SANTA CRUZ, CA 95060-4069
(831) 454-2200 FAX: (831) 454-3262 TDD: (831) 454-2123

JOHN LEOPOLD	ELLEN PIRIE	NEAL COONERTY	TONY CAMPOS	MARK W. STONE
FIRST DISTRICT	SECOND DISTRICT	THIRD DISTRICT	FOURTH DISTRICT	FIFTH DISTRICT

AGENDA: 6/23/09

June 19, 2009

APPROVED AND FILED
BOARD OF SUPERVISORS
DATE: June 23, 2009
COUNTY OF SANTA CRUZ
SUSAN A. MAURIELLO
EX-OFFICIO CLERK OF THE BOARD
BY Sharon Mitchell DEPUTY

BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

BOARD OF DIRECTORS
Santa Cruz County Redevelopment Agency
701 Ocean Street
Santa Cruz, CA 95060

RE: REDEVELOPMENT AGENCY FUNDING

Dear Members of the Board:

Both the Assembly and Senate are expected to vote next week on a package of budget bills to close the State's estimated $24 billion deficit projected for next year, including a trailer bill to take $1.05 billion from redevelopment agencies.

In November, 2008, the State attempted to take $2.2 million of County redevelopment funds as part of the $350 million sweep of the state's redevelopment agencies. On April 30, 2009, the Sacramento Superior Court found the State to be in violation of the State Constitution for attempting to take redevelopment funds for ERAF in the case of *CRA* v. ***Genest.*** Article XVI, Section 16 of the Constitution is clear: tax increment is for the exclusive use of financing of redevelopment projects.

The California Redevelopment Association (CRA) won a significant victory in *CRA* v. ***Genest*** which helps to solidify constitutional protection for tax increment. Without that protection, the Governor and the Legislature could view redevelopment as a ready source of funds to solve state budget problems year after year.

67.7

Any proposal by the State to take redevelopment funds for non-redevelopment purposes violates the State Constitution. It is essential that we work to protect this constitutional principle.

Our County's redevelopment agency is doing outstanding work meeting the needs of the residents of Live Oak and Soquel. The current effort to prepare for our next five year plan has included hundreds of people who are actively involved in setting the course for our redevelopment funds in the coming years. With this possible fund shift from the State, combined with declining property tax revenues, the communities of Live Oak and Soquel may lose the ability to fully benefit from these locally generated funds.

Accordingly, I recommend that the Board adopt the attached resolution opposing the State's trailer bill to seize $1.05 billion from redevelopment agencies and direct the Clerk of the Board to distribute the resolution as indicated.

Sincerely,

JOHN LEOPOLD, Supervisor
First District

JL:ted
Attachment

cc: Santa Cruz County Redevelopment Agency

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BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ AND THE
BOARD OF DIRECTORS OF THE SANTA CRUZ COUNTY
REDEVELOPMENT AGENCY, STATE OF CALIFORNIA

RESOLUTION NO. 193-2009

On the motion of Supervisor Pirie
duly seconded by Supervisor Leopold
the following resolution is adopted

JOINT RESOLUTION OF THE SANTA CRUZ COUNTY BOARD OF SUPERVISORS
AND THE SANTA CRUZ COUNTY REDEVELOPMENT AGENCY
BOARD OF DIRECTORS OPPOSING STATE EFFORTS TO
SEIZE REDEVELOPMENT AGENCY FUNDING

WHEREAS, since the early 1990s the state government has seized $1.05 billion of redevelopment tax increment statewide, and the Governor and Legislature are now considering seizing $350 million each year for three years, beginning in fiscal year 2008-09; and

WHEREAS, on April 30, 2009, in the case of CRA v. ***Genest,*** the Sacramento Superior Court found similar efforts by the State to seize redevelopment tax increment for the state general fund to be in direct violation of Article XVI, Section 16 of the State Constitution, added by the voters in 1952 as Proposition 18, which requires that tax increment be used exclusively for the benefit of redevelopment project areas.

NOW, THEREFORE, BE IT RESOLVED that the Santa Cruz County Board of Supervisors and the Board of Directors of the Santa Cruz County Redevelopment Agency hereby oppose the State Budget Trailer Bill to seize $1.05 billion from redevelopment agencies and direct the Clerk of the Board to distribute this resolution as indicated.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this 23rd day of June, 2009, by the following vote:

AYES:	SUPERVISORS/DIRECTORS	Leopold, Pirie, Campos, Stone and Coonerty
NOES:	SUPERVISORS/DIRECTORS	None
ABSENT:	SUPERVISORS/DIRECTORS	None

NEAL COONERTY

NEAL COONERTY, Chairperson,
Board of Supervisors, and
Chairperson, Redevelopment
Agency Board of Directors

ATTEST: TESS FITZGERALD
Clerk of said Board

Approved as to form:

County Counsel

DISTRIBUTION: Governor Arnold Schwarzenegger
Senator Joe Simitian
Senator Abel Maldonado
Assemblymember Bill Monning
Assemblymember Anna Caballero
California Redevelopment Association
Santa Cruz County Counsel

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STATE OF CALIFORNIA)
COUNTY OF SANTA CRUZ) ss

I, SUSAN A. MAURIELLO, County Administrative Officer and ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California do hereby certify that the foregoing is a true and correct copy of the resolution passed and adopted by and entered in the minutes of the said board. In witness whereof I have hereunto set my hand and affixed the seal of the said Board on June 25 20 09.

SUSAN A. MAURIELLO, County Administrative Officer

By Sharon Mitchell Deputy